

**TAB 5**

**14-02-CD**

**John E. Lewis v. Falemao Tosi**

**Presented by: Jerry Anderson, APOC staff**



BEFORE THE ALASKA PUBLIC OFFICES COMMISSION

John E Lewis,

Complainant,

vs.

Falemao Tosi,

Respondent.

Case No. 14-02-CD

CONSENT AGREEMENT

I. SUMMARY OF PROCEEDINGS LEADING TO CONSENT AGREEMENT

A. Parties

The parties to this Consent Agreement are Falemao Tosi ("Respondent") and the Alaska Public Offices Commission Staff ("APOC Staff").

B. Complaint

This Consent Agreement is entered into regarding the complaint (14-02-CD) filed by John E. Lewis on February 18, 2014. This complaint alleged 15 violations in the complaint investigation including:

- Soliciting contributions and making expenditures prior to filing a letter of intent or declaration of candidacy under AS 15.13.100 and AS 15.13.072;
- Accepting prohibited contributions under AS 15.13.072;
- Receipt of campaign contribution by someone not authorized by AS 15.13.060;
- Incomplete reporting under AS 39.50 by failing to disclose required information;
- Inaccurate income reporting under AS 39.50;
- Improper identification of campaign communications under AS 15.13.090; and
- Exceeding the exemption limit under AS 15.13.040(g) and 2 AAC 50.286(b) without disclosure.

**C. Intent of the Agreement**

This Consent Agreement intends to resolve all pending proceedings between APOC Staff and Respondent. The Parties understand that this Consent Agreement is not effective unless and until it is approved by the Alaska Public Offices Commission.

**II. FACTS**

Mr. Tosi filed as a candidate for Anchorage Assembly on February 7, 2014.

Mr. Tosi filed a MJE – Municipal Judicial Exemption form with APOC on February 13, 2014.

Mr. Tosi held a campaign event at the Northway Mall on February 15, 2014.

Mr. Lewis filed an expedited complaint against the Tosi campaign on February 18, 2014.

The Commission held a hearing on February 20 on whether the complaint should be expedited.

On February 21, 2014 the Commission entered an order referring the complaint to the Executive Director for investigation on a regular basis.

**III. THE INVESTIGATION**

**[Note: The text of the allegations of the complaint is attached on separate pages as Exhibit “A” to aid the reader.]**

Staff reviewed **allegation 1** from the complaint and finds that a violation cannot be established for the creation of a campaign website and Facebook campaign page prior to filing his declaration of candidacy on February 7, 2014. The initial creation of the Facebook page Vote Mao Tosi shows a creation date of November 5, 2013. However, Mr. Tosi states that this page did not show any political communication statements or indirectly or directly identify him as a candidate for any specific office until the page went “live” in February 2014. The page showed a picture of his family with no other written commentary. Mr. Tosi admits that he was considering running for a political office during the time period from November 2013 mentioned in the complaint to filing his Declaration of Candidacy with the Municipality on February 7, 2014. Mr. Tosi produced statistical data for the Facebook page which confirmed the statements that the Facebook page did not go live until February 7, 2014. The first Facebook post was on February 7, 2014 announcing his candidacy according to records produced by the Mr. Tosi.

The domain name for the website was purchased and reserved on February 5, 2014 based on Mr. Tosi's statement. Mr. Tosi states that no political communication content was exposed to the public prior to the filing of the Declaration. Mr. Tosi stated that an individual named Vasco Veja developed the Website and provided APOC a contact number. Vasco Veja confirmed that the website was developed in the early hours of February 8, 2014. Mr. Veja also stated that he was strictly on a volunteer basis. Mr. Veja further stated that he was a long-time friend of Mr. Tosi and was not paid for the effort. These efforts are not considered a contribution to the campaign under 2 AAC 50.250(b)(2). Based on this set of facts the Staff cannot establish a violation for allegation 1 under AS 15.13 or specifically, AS 15.13.050 beyond a preponderance of the evidence.

Staff reviewed **allegation 2** from the complaint and does not find a violation under AS 15.13.100 or AS 15.13 generally. Staff reviewed records from Mr. Tosi regarding the PayPal account. This account was setup on February 8, 2014. Mr. Tosi provided staff with an activity report showing the first transaction was on February 8, 2014. The PayPal activity assumed by the Complainant in the complaint did not occur.

Staff reviewed **allegation 3** from the complaint and finds a violation under AS 15.13.072(a)(1) but not to the extent alleged in the complaint. The use of the phone, office space, and the use of the Big Tosi Management office are all violations of this statute. Mr. Tosi states that he did not sell any t-shirts from the management office space. APOC staff reviewed the campaign records of the Tosi campaign and found no evidence to the contrary. Mr. Tosi has reimbursed Big Tosi Management, LLC the amount of \$125 on February 20, 2014 as the fair market value of the goods and services received from this LLC for the activities listed in the complaint with the exception of the campaign event on February 15, 2014. Staff considers this to be a fair market value since the monthly rental of the entire office is \$125 per month. As of February 22<sup>nd</sup> the campaign had removed campaign posters from the office space and does not intend to utilize the space for any campaign activity except for incidental, unplanned and unanticipated campaign activity. This activity would be similar to situations discussed in AO 05-06-CD Meyer on unsolicited phone calls. The campaign event on February 15, 2014 was held in a leased space rented by a party other than Big Tosi Management, LLC. The posting of the campaign signs in the office space would not be considered a contribution under AS 15.13.040(i) since Mr. Tosi has stated that Big Tosi Management, LLC is the lease owner of that space and that he had extended that permission to post campaign signs. A different owner of a

different rental space in Northway Mall also provided the facility for the campaign event on February 15, 2014 to Mr. Tosi. This space was also provided as allowed under AS 15.13.040(i) and by statutory definition is not a contribution. APOC staff finds no violation for use of space for the campaign event on February 15, 2014.

Staff reviewed **allegation 4** from the Complaint and finds no violation under AS 15.13. The records provided by the Tosi campaign show no contributions collected by staff of Big Tosi Management, LLC while being paid by the LLC or at the office of the LLC location. A review of the monetary contributions of the Tosi campaign by APOC staff show that all contributions have been through PayPal and have not involved the paid staff members of Big Tosi Management, LLC. Allegation 4 is closely related to one part of Allegation 3. No t-shirts were sold or orders received by Big Tosi Management, LLC Staff while being paid by the LLC. The activity assumed by the Complainant did not occur.

Staff reviewed **allegation 5** from the complaint and finds a violation under AS 15.13.072(a)(1) by the use of a PO Box number of a non-profit organization by Mr. Tosi. Mr. Tosi corrected the PO Box issue on February 18, 2014 by renting a PO Box specifically for the campaign. APOC staff reviewed this transaction record of payment for the PO Box rental and notes the fact that the Letter of Intent filed by the Tosi campaign on February 20, 2014 has the revised address. Mr. Tosi reimbursed the non-profit on February 27, 2014 by payment in the amount of \$6.72 for use of the PO Box for 11 days calculated as 12% of the 3 month (or 90 days) rate of \$55.00. The \$55 rate is the actual rate the campaign paid for a new PO Box for the campaign to remedy the violation. APOC Staff believes the repayment represents fair market value of the use of the non-profit mail box by the campaign.

Staff reviewed **allegation 6** from the complaint and finds that the allegation language mirrors those of allegation 3 with the corporate contribution being alleged from Security National Properties rather than Big Tosi Management, LLC. To the extent that violations and contributions occurred, APOC Staff believes that those contributions came from Big Tosi Management, LLC and not Security National Properties. Therefore staff finds no violation under allegation 6.

Staff reviewed **allegation 7** and finds no violation based on the fact that the “empty store” is currently leased to Debbie Parker formerly doing business in that space as Above the Zone. Ms. Parker gave permission to Mr. Tosi to use the leased space for the campaign event. This transaction is allowed under AS 15.13.040(i) and is not considered a contribution. The

complaint allegation also references a phone line usage. The phone line referred to in this allegation is owned by Big Tosi Management, LLC and the potential violation is addressed in allegation #3 above and will not be discussed further here.

Staff reviewed **allegation 8** from the complaint and does not find a violation in that the Tosi campaign paid for the t-shirts referred to in the allegation by check #1001 dated February 15, 2014 in the amount of \$210.00. The posting of the sign in the store window is not a violation based on AS 15.13.040(i). APOC staff confirmed with the owners of Saafi Design and Graphics, who are the lease owners of the mall space where the sign was posted, that they do not customarily or ever charge or receive payment for the posting of signs at their establishment.

Staff reviewed **allegation 9** and does not find a violation based on soliciting contributions. A violation would have only occurred with acceptance of a contribution. The posting submitted by Ms. Stricklin was not an acceptance of a contribution. Acceptance of a contribution by an individual who is not the candidate, treasurer or deputy treasurer would be a violation. Ms. Stricklin works at the Big Tosi Management, LLC office in the Northway Mall. If she had accepted a contribution at the Northway Mall for the candidate during her normal working hours of 9 am – 5 pm on Monday to Friday then it would be similar to the situation of complaint 13-09-CD *Arnold v Fairbanks Motel Leasing (Ranch Motel)*.<sup>1</sup> In this case no contributions were received at the Northway Mall office of Big Tosi Management, LLC or by Ms. Stricklin. The posting of the information on how to obtain a campaign T-shirt in exchange for a contribution alone did not violate AS 15.13.

Staff reviewed **allegation 10** from the complaint and finds a violation under AS 39.50 in that Mr. Tosi did fail to list his position as Executive Director of Mao Tosi's Alaska Pride on his POFD. Mr. Tosi filed his POFD on February 7, 2014. He amended his POFD on February 20, 2014 to reflect this non-profit position after the filing of the complaint. Mr. Tosi also confirmed with staff that he received no income from the non-profit during 2013.

Staff reviewed **allegation 11** from the complaint and finds no violation based on the facts presented. Staff disagrees with the allegation that Mr. Tosi had a duty to report the 2013 PFD amount on his POFD. The 2013 POFD for Mr. Tosi and each of the members of his family was

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<sup>1</sup> In 13-09-CD the commission fined the Ranch Motel \$650 for accepting 9 contributions for a candidate over a period of 52 days; and the candidate Vivian Stiver \$650.00 for receiving prohibited nonmonetary corporate contributions as a result of the activity related to the contributions. The Ranch Motel was reimbursed \$31.69 by the candidate for the Ranch Motel staff time and contribution envelope storage on behalf of the candidate.

\$900.00 for the reporting year. The reporting requirement requires individual reporting for income over \$1,000 not the family aggregate of sources under \$1,000. This amount is not more than the \$1,000.00 amount which triggers a reporting requirement. Mr. Tosi is not required to report each of the individual PFD amounts. Staff, after review of the POFD of the Respondent finds no reporting violation in allegation 11 of the complaint. Mr. Tosi amended his POFD to reflect the total of all the PFD's received by the filer, spouse and children which is an acceptable amendment but not required and has in fact now over reported.

Staff reviewed **allegation 12** from the complaint and finds no violation. Staff disagrees with the complaint allegation that the reporting of gross income or revenue from Big Tosi Management, LLC violated AS 39.50. The gross income or revenue can and normally does exceed the amount shown as income from that business, especially where large amounts of the revenue come from several large clients. This is a question of gross income or revenue required to be reported in Clients Section versus the net income reported in Income Section. The net income, of course, is derived from subtracting expenses from the gross income. Staff after discussion with and review of one of the records of the Respondent finds no reporting violation in allegation 12. Staff specifically reviewed and confirmed the 1099 amount received by Big Tosi Management, LLC from Security National Properties to determine that it been reported in the proper \$200,000 - \$500,000 category.

Staff reviewed **allegations 13 and 14** from the complaint and finds a violation of AS 15.13.090 by Mr. Tosi for failing to have a proper "paid for by" on bumper stickers, flyers, posters, Facebook page, campaign website, Twitter message, and Instagram message page. Each of these items was required to have a proper "paid for by" or link to a proper "paid for by". The complaint also alleges that his T-shirts did not have a proper "paid for by". A "paid for by" is not required on T-shirts as provided under 2 AAC 50.306(e)(3)(c). Mr. Tosi corrected each of the items after the complaint was filed by either adding the "paid for by" or sending a remedial message addressing the previous lack of a "paid for by". Staff was provided copies of the Facebook, Website, Twitter Account, PayPal Account and Instagram page showing proper "paid for by" after correction by Mr. Tosi. Staff finds a reporting violation by the candidate for each of the items (except the T-shirts) by not having a proper identification as required under AS 15.13.090 and 2 AAC 50.306. APOC staff routinely receives reports of improper or missing "paid for by" identification by campaigns. APOC staff contacts the appropriate campaign as each report of an improper or missing "paid for by" is made. If the alleged "paid for by"



violation is established and promptly corrected by the campaign then APOC staff makes a note of the violation and takes no further action against the campaign in the case of a first report of a “paid for by” violation. If the “paid for by” violation is not promptly corrected when notified by APOC Staff, then a complaint against the offending campaign is filed.<sup>2</sup>

Staff has reviewed **allegation 15** from the complaint and finds no violation of AS 15.13.040(g) or 2 AAC 50.286(b). Staff reviewed the contributions and expenditures of the Tosi campaign to date and found that each were well below the \$5,000.00 level on February 18, 2014 when the complaint was filed. The Tosi campaign filed a Letter of Intent on February 20, 2014 and expects to file a Candidate Registration on February 27, 2014. These filings trigger a 30 day report requirement due on March 3, 2014 as well as the 7 day report due March 25, 2014, 105 day report due July 15, 2014 and 24 hour reports as required. The 30 day report filed by the campaign will reflect the activity of the campaign including and up to the filing date of the complaint. The level of activity assumed by the Complainant did not occur.

APOC staff contacted the Complainant, John E. Lewis by telephone and email regarding the investigation. Mr. Lewis stated that he had did not have any more information to add to what was included in the complaint.<sup>3</sup>

#### IV. MAXIMUM PENALTIES AND MITIGATION CRITERIA

APOC staff found violations in allegations 3, 5, 10, 13 and 14. APOC staff found no violation in the remainder of the allegations.

Allegation 3 – Use of Big Tosi Management, LLC phone and office space.

11 days of violation times \$50/day = \$550 Maximum Penalty

Allegation 5 – Use of non-profit Corporation PO Box.

11 days of violation time \$50/day = \$550 Maximum Penalty

Allegation 10 – Executive Director of Mao Tosi Alaska Pride information missing from POFD

11 days of violation times \$10/day = \$110 Maximum Penalty

Allegations 13 and 14 – Missing paid for by on bumper stickers, posters, campaign website,

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<sup>2</sup> See 10-02-CD APOC v Alaska Against Government Mandates

<sup>3</sup> Exhibit B.

Facebook page, Twitter, Instagram and other campaign materials.

11 days of violation time \$50/day = \$550 Maximum Penalty

**The total of the maximum penalties is \$1,760.00**

Mitigation Criteria and Other Factors considered by the APOC and Mao Tosi in determining an appropriate penalty for the violations included:

Mao Tosi is an inexperienced filer under 2 AAC 50.865(a)(1)(B) which allows for a penalty to be reduced by up to 50 percent.

The penalty under allegations 13 and 14 would be significantly out of proportion to the degree of harm to the public considering the informal policy of APOC staff applied to “paid for by” violations where immediate correction of a first time violation is made. The commission recently heard a case where a corporate office and equipment was used for 160 days during the campaign. In that case, Staff recommended a 75% reduction based on the same maximum daily penalty and facts similar to the facts presented in this case.<sup>4</sup>

## **V. TERMS OF CONSENT AGREEMENT**

APOC Staff and Respondent agree to a consent agreement in which:

1. The above facts and conclusions are acknowledged.
2. Respondent will pay a penalty of \$350.00 or enter into a payment plan with APOC on or before March 24, 2014.
3. The Tosi Campaign will reimburse Big Tosi Management, LLC the sum of \$125 for use of phone and office space.
4. The Tosi Campaign will reimburse Mao Tosi Alaska Pride, Inc. the sum of \$6.72 for use of the PO Box.
5. Mr. Tosi to attend APOC training prior to April 1, 2014.

Staff expended 21 hours investigating this matter. Investigation costs are \$1,125.00. It is recommended that no costs be assessed, as Mr. Tosi has acknowledged his fault in the violations and has taken great efforts to remedy and correct campaign errors as quickly as possible.

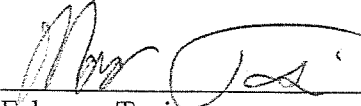
This agreement is subject to approval by the Commission.

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<sup>4</sup> 13-12-CD DeSpain v Eberhart.


Dated: 2/27/14

By:

  
Falemao Tosi  
Respondent

Dated: 2-27-14

By:

  
Paul Dauphinais, Executive Director  
Alaska Public Offices Commission

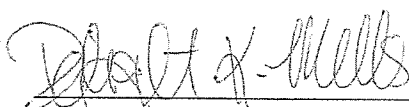
**Certificate of Service**

I hereby certify that on this date, I caused a true and correct copy of the foregoing to be delivered as indicated to the following:

John E. Lewis  
6020 E. 43<sup>rd</sup> Ave.  
Anchorage, AK 99504  
[palmeralaska@hotmail.com](mailto:palmeralaska@hotmail.com)

Falemao Tosi  
3318 Upland Dr.  
Anchorage, AK 99504  
[tosiforassembly@gmail.com](mailto:tosiforassembly@gmail.com)

☒ Email  
☒ U.S. Mail  
☐ Fax

  
Delight K. Mells  
Paralegal II

2/27/14  
Date



## Complaint 14-02-CD, Allegations

### Allegations

1. Falemao Tosi violated AS 15.13.100 by making campaign expenditures prior to filing a letter of intent or declaration of candidacy. These included creating a campaign page on Facebook titled "Vote Mao Tosi" on November 5, 2013, creating a campaign website [www.votemaotosi.com](http://www.votemaotosi.com) February 5, 2014, and communicated on his personal Facebook page "Ma'o Tosi" that he was running for political office prior to filing his declaration of candidacy on February 7, 2014. In order to establish a website, Mr. Tosi would have had to pay for his domain name and purchase an ongoing service. Unless Mr. Tosi designed and built his website personally it appears that he paid for or incurred an obligation to pay a website graphics designer.
2. Falemao Tosi violated AS 15.13.100 by soliciting contributions prior to filing a letter of intent or declaration of candidacy. He made solicited contributions by placing prominent "contribute" links on his campaign Facebook page and website that linked to a "Paypal" service to accept contributions on his behalf. It is reasonable to assume that Mr. Tosi accepted contributions in this manner during the period of time from the start of his campaign activities on November 5, 2013 until his filing of a Declaration of Candidacy on February 7, 2014. Mr. Tosi would have had to pay or incur an obligation to pay the commercial company Paypal.
3. Falemao Tosi violated AS 15.13 by receiving prohibited corporate contributions from Big Tosi Management LLC. These prohibited in-kind contributions include, the use of office space, a phone line, and the use of Northway Mall facilities. The campaign's contact phone number listed on Mr. Tosi's Public Official Financial Disclosure and Exempt Campaign Registration is the phone number for Big Tosi Management LLC. Mr. Tosi's campaign has also publicly stated that you can purchase and order campaign shirts at the Big Tosi Management office in the Northway Mall Monday to Friday 9 to 5. Mr. Tosi held a campaign event Saturday February, 15 2014 for two hours, not including setup and cleanup time, at an empty store in the Northway Mall a property managed by Big Tosi Management. Mr. Tosi is receiving prohibited campaign contributions from Big Tosi Management for the office space he is conducting his campaign out of, the event space he is using, and the resources he is using including but not limited to his phone line.
4. Falemao Tosi received prohibited corporate contribution from Big Tosi Management LLC for providing staff time Monday through Friday, 9am to 5pm, to receive contributions.
5. Falemao Tosi violated AS 15.13 by receiving prohibited corporate contributions from Mao Tosi's Alaska Pride, a registered non-profit corporation for the use of a PO Box. The campaign contact mailing address listed on Mr. Tosi's exempt status Campaign Registration, Public Official Financial Disclosure, and Declaration of Candidacy is the same PO Box purchased and used by Mao Tosi's Alaska Pride.
6. Falemao Tosi violated AS 15.13 by receiving prohibited corporate contributions from Security National Properties. Security National Properties is the owner of the Northway Mall. The campaign's contact phone number listed on Mr. Tosi's Public Official Financial Disclosure and Exempt Campaign Registration is the phone number for the Northway Mall's management office. Mr. Tosi's campaign has also publicly stated that you can purchase and order campaign shirts at the Management office in the Northway Mall Monday to Friday 9 to 5. Mr. Tosi held a campaign event Saturday February, 15 2014 for two hours, not including setup and cleanup

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## Complaint 14-02-CD, Allegations

time, at an empty store in the Northway Mall. Mr. Tosi is receiving prohibited campaign contributions from Security National Properties for the office space he is conducting his campaign out of, the event space he is using, and the resources he is using including but not limited to his phone line.

7. Falemao Tosi violated AS 15.13 by receiving prohibited corporate contributions from Security National Properties and Big Tosi Management LLC for displaying campaign advertising signage at the Northway Mall. This location normally charges a fee for displaying advertisements on its property, and thus cannot provide this service for free to Mr. Tosi.
8. Falemao Tosi violated AS 15.13 by receiving prohibited contributions from Saafi Design and Graphics, a non-sole-proprietor business. Saafi Design and Graphics promoted Mr. Tosi's campaign on their Facebook page on February 13, 2014, displayed campaign signage in their store window, and created and produced campaign t-shirts for Mr. Tosi. If Mr. Tosi's campaign did not pay fair market value for the designs and apparel that would be a prohibited donation to his campaign.
9. Falemao Tosi violated AS 15.13 and AAC 50.250 for having Big Tosi Management employee Sentiera Stricklin solicit donations, while she is not listed as a treasurer or deputy treasurer. Ms. Stricklin posted on facebook on February 15, 2014 that she would accept contributions of \$25 in exchange for Mao Tosi t-shirts.
10. Falemao Tosi violated AS 39.50 when he failed to disclose that he is the board President and Executive Director of Mao Tosi's Alaska Pride on his Public Official Financial Disclosure.
11. Falemao Tosi violated AS 39.50 when he failed to disclose the income from the State of Alaska in the form of the Permanent Fund Dividend for his wife and 5 dependents, which would be a total income from the State of Alaska of \$6300.
12. Falemao Tosi violated AS 39.50 by providing inaccurate personal income from Big Tosi Management LLC on his Public Official Financial Disclosure. On his POFD Mr. Tosi lists his income from Big Tosi Management, for which he is 100% shareholder, as \$50,000 - \$100,000 but lists that the client Security National Properties paid Big Tosi Management \$200,000 - \$500,000 and Napa Auto \$5,000 - \$10,000. The income from the clients well exceeds the \$100,000 listed as income.
13. Falemao Tosi violated AS 15.13 and AAC 50.306 when he did not properly identify political communications. Mr. Tosi printed and distributed an unknown number of bumper stickers, fliers directing people to his social media, and t-shirts without the required "paid for by..." disclaimer. Mr. Tosi did not include the required "paid for by..." disclaimer on his campaign's online Twitter page or Instagram page.
14. Falemao Tosi violated AS 15.13 and AAC 50.306 when he did not comply fully with the requirement to identify political communications. Mr. Tosi made campaign communications in the form posters, his campaign website, and his campaign Facebook page that have an

## Complaint 14-02-CD, Allegations

incomplete "paid for by..." disclaimer. Mr. Tosi listed his campaign committee name, but not its address, city, or zip code as required on these communications.

15. Falemao Tosi violated AS 15.13 and AAC 50.286 when he filed a Candidate Exemption that he is not qualified for. Based on the demonstrated campaign expenditures including but not limited to websites, graphic design, posters, bumper stickers, print materials, t-shirts, office space, office equipment and resources, event space, and staff time that are in excess of \$5000, or he incurred obligations to pay over \$5000 including paying fair market value for prohibited contributions.





**Anderson, Jerry D (DOA)**

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**From:** John Lewis <palmeralaska@hotmail.com>  
**Sent:** Wednesday, February 26, 2014 5:47 AM  
**To:** Anderson, Jerry D (DOA)  
**Cc:** John Lewis  
**Subject:** APOC Complaint

Mr. Anderson,

Sorry that I was not able to contact you yesterday. I do not have any more information to add to what I had included in my complaint.

Thank you,

John Lewis



Statutes and Regulations

Alaska Statutes

**Sec. 15.13.040. Contributions, expenditures, and supplying of services to be reported.**

(a) Except as provided in (g) and (l) of this section, each candidate shall make a full report, upon a form prescribed by the commission,

(1) listing

(A) the date and amount of all expenditures made by the candidate;

(B) the total amount of all contributions, including all funds contributed by the candidate;

(C) the name, address, date, and amount contributed by each contributor; and

(D) for contributions in excess of \$50 in the aggregate during a calendar year, the principal occupation and employer of the contributor; and

(2) filed in accordance with AS 15.13.110 and certified correct by the candidate or campaign treasurer.

(b) Each group shall make a full report upon a form prescribed by the commission, listing

(1) the name and address of each officer and director;

(2) the aggregate amount of all contributions made to it; and, for all contributions in excess of \$100 in the aggregate a year, the name, address, principal occupation, and employer of the contributor, and the date and amount contributed by each contributor; for purposes of this paragraph, "contributor" means the true source of the funds, property, or services being contributed; and

(3) the date and amount of all contributions made by it and all expenditures made, incurred, or authorized by it.

(c) The report required under (b) of this section shall be filed in accordance with AS 15.13.110 and shall be certified as correct by the group's treasurer.

(d) Every person making an independent expenditure shall make a full report of expenditures made and contributions received, upon a form prescribed by the commission, unless exempt from reporting.

(e) Each person required to report under (d) of this section shall file a full report in accordance with AS 15.13.110(h) on a form prescribed by the commission. The report must contain

(1) the name, address, principal occupation, and employer of the individual filing the report;

(2) an itemized list of all expenditures made, incurred, or authorized by the person;

(3) the name of the candidate or the title of the ballot proposition or question supported or opposed by each expenditure and whether the expenditure is made to support or oppose the candidate or ballot proposition or question;

(4) the name and address of each officer and director, when applicable;

(5) the aggregate amount of all contributions made to the person, if any, for the purpose of

influencing the outcome of an election; for all contributions, the date of the contribution and amount contributed by each contributor; and, for a contributor

(A) who is an individual, the name and address of the contributor and, for contributions in excess of \$50 in the aggregate during a calendar year, the name, address, principal occupation, and employer of the contributor; or

(B) that is not an individual, the name and address of the contributor and the name and address of each officer and director of the contributor.

(f) During each year in which an election occurs, all businesses, persons, or groups that furnish any of the following services, facilities, or supplies to a candidate or group shall maintain a record of each transaction: newspapers, radio, television, advertising, advertising agency services, accounting, billboards, printing, secretarial, public opinion polls, or research and professional campaign consultation or management, media production or preparation, or computer services. Records of provision of services, facilities, or supplies shall be available for inspection by the commission.

(g) The provisions of (a) and (l) of this section do not apply to a delegate to a constitutional convention, a judge seeking judicial retention, or a candidate for election to a municipal office under AS 15.13.010, if that delegate, judge, or candidate

(1) indicates, on a form prescribed by the commission, an intent not to raise and not to expend more than \$5,000 in seeking election to office, including both the primary and general elections;

(2) accepts contributions totaling not more than \$5,000 in seeking election to office, including both the primary and general elections; and

(3) makes expenditures totaling not more than \$5,000 in seeking election to office, including both the primary and general elections.

(h) The provisions of (d) of this section do not apply to one or more expenditures made by an individual acting independently of any other person if the expenditures

(1) cumulatively do not exceed \$500 during a calendar year; and

(2) are made only for billboards, signs, or printed material concerning a ballot proposition as that term is defined by AS 15.13.065(c).

(i) The permission of the owner of real or personal property to post political signs, including bumper stickers, or to use space for an event or to store campaign-related materials is not considered to be a contribution to a candidate under this chapter unless the owner customarily charges a fee or receives payment for that activity. The fact that the owner customarily charges a fee or receives payment for posting signs that are not political signs is not determinative of whether the owner customarily does so for political signs.

(j) Except as provided in (l) of this section, each nongroup entity shall make a full report in accordance with AS 15.13.110 upon a form prescribed by the commission and certified by the nongroup entity's treasurer, listing

(1) the name and address of each officer and director of the nongroup entity;

(2) the aggregate amount of all contributions made to the nongroup entity for the purpose of

influencing the outcome of an election;

(3) for all contributions described in (2) of this subsection, the name, address, date, and amount contributed by each contributor and, for all contributions described in (2) of this subsection in excess of \$250 in the aggregate during a calendar year, the principal occupation and employer of the contributor; and

(4) the date and amount of all contributions made by the nongroup entity, and, except as provided for certain independent expenditures in AS 15.13.135(a), all expenditures made, incurred, or authorized by the nongroup entity, for the purpose of influencing the outcome of an election; a nongroup entity shall report contributions made to a different nongroup entity for the purpose of influencing the outcome of an election and expenditures made on behalf of a different nongroup entity for the purpose of influencing the outcome of an election as soon as the total contributions and expenditures to that nongroup entity for the purpose of influencing the outcome of an election reach \$500 in a year and for all subsequent contributions and expenditures to that nongroup entity in a year whenever the total contributions and expenditures to that nongroup entity for the purpose of influencing the outcome of an election that have not been reported under this paragraph reach \$500.

(k) Every individual, person, nongroup entity, or group contributing a total of \$500 or more to a group organized for the principal purpose of influencing the outcome of a proposition, and every individual, person, nongroup entity, or group contributing a total of \$500 or more to a group organized for the principal purpose of filing an initiative proposal application under AS 15.45.020 or that has filed an initiative proposal application under AS 15.45.020, shall report the contribution or contributions on a form prescribed by the commission not later than 30 days after the contribution that requires the contributor to report under this subsection is made. The report must include the name, address, principal occupation, and employer of the individual filing the report and the amount of the contribution, as well as the total amount of contributions made to that group by that individual, person, nongroup entity, or group during the calendar year.

(l) Notwithstanding (a), (b), and (j) of this section, for any fund-raising activity in which contributions are in amounts or values that do not exceed \$50 a person, the candidate, group, or nongroup entity shall report contributions and expenditures and supplying of services under this subsection as follows:

(1) a report under this subsection must

(A) describe the fund-raising activity;

(B) include the number of persons making contributions and the total proceeds from the activity;

(C) report all contributions made for the fund-raising activity that do not exceed \$50 a person in amount or value; if a contribution for the fund-raising activity exceeds \$50, the contribution shall be reported under (a), (b), and (j) of this section;

(2) for purposes of this subsection,

(A) "contribution" means a cash donation, a purchase such as the purchase of a ticket, the purchase of goods or services offered for sale at a fund-raising activity, or a donation of

goods or services for the fund-raising activity;

(B) "fund-raising activity" means an activity, event, or sale of goods undertaken by a candidate, group, or nongroup entity in which contributions are \$50 a person or less in amount or value.

(m) Information required under this chapter shall be submitted to the commission electronically, except that the following information may be submitted in clear and legible black typeface or hand-printed in dark ink on paper in a format approved by the commission or on forms provided by the commission:

(1) information submitted by

(A) a candidate for election to a borough or city office of mayor, membership on a borough assembly, city council, or school board, or any state office, who

(i) meets the requirements of (g)(1) - (3) of this section; or

(ii) does not have reasonable access to the technology necessary to file electronically; in this sub-subparagraph, a candidate is considered not to have reasonable access to the technology necessary to file electronically if the candidate does not own a personal computer or does not have broadband Internet access at the candidate's residence; in this sub-subparagraph, "broadband Internet access" means high-speed Internet access that is always on and that is faster than traditional dial-up access; or

(B) a candidate for municipal office for a municipality with a population of less than 15,000; in this subparagraph, "municipal office" means the office of an elected borough or city

(i) mayor; or

(ii) assembly, council, or school board member;

(2) any information if the commission determines that circumstances warrant an exception to the electronic submission requirement.

(n) The commission shall print the forms to be provided under this chapter so that the front and back of each page have the same orientation when the page is rotated on the vertical axis of the page.

(o) Information required by this chapter that is submitted to the commission on paper and not electronically shall be electronically scanned and published on the Internet by the commission, in a format accessible to the general public, within two working days after the commission receives the information.

(p) Notwithstanding the requirement in (a) of this section that a candidate shall make a full report upon a form prescribed by the commission, the commission shall accept information submitted electronically by a candidate if the information is

(1) entered onto a version of a form accessed on the Internet website of the commission; or

(2) in the form of an electronic spreadsheet or data file that contains field names and data types that conform to a standard defined by the commission.

(q) For purposes of (b), (e), and (j) of this section, "contributor" means the true source of the funds, property, or services being contributed.

(r) For purposes of (e) of this section,

(1) "director" means a member of the board of directors of a corporation or any person performing a similar function with respect to any organization;

(2) "officer" means a president, vice-president, secretary, treasurer, principal financial officer, or comptroller of a corporation, or any person routinely performing functions similar to those of a president, vice-president, secretary, treasurer, principal financial officer, or comptroller with respect to any organization.

**Sec. 15.13.050. Registration before expenditure.**

(a) Before making an expenditure in support of or in opposition to a candidate or before making an expenditure in support of or in opposition to a ballot proposition or question or to an initiative proposal application filed with the lieutenant governor under AS 15.45.020, each person other than an individual shall register, on forms provided by the commission, with the commission.

(b) If a group intends to support only one candidate or to contribute to or expend on behalf of one candidate 33 1/3 percent or more of its funds, the name of the candidate shall be a part of the name of the group. If the group intends to oppose only one candidate or to contribute its funds in opposition to or make expenditures in opposition to a candidate, the group's name must clearly state that it opposes that candidate by using a word such as "opposes," "opposing," "in opposition to," or "against" in the group's name. Promptly upon receiving the registration, the commission shall notify the candidate of the group's organization and intent. A candidate may register more than one group to support the candidate; however, multiple groups controlled by a single candidate shall be treated as a single group for purposes of the contribution limit in AS 15.13.070(b)(1).

(c) If a group intends to make more than 50 percent of its contributions or expenditures in support of or in opposition to a single initiative on the ballot, the title or common name of the initiative must be a part of the name of the group. If the group intends to make more than 50 percent of its contributions or expenditures in opposition to a single initiative on the ballot, the group's name must clearly state that the group opposes that initiative by using a word such as "opposes," "opposing," "in opposition to," or "against" in the group's name.

**Sec. 15.13.060. Campaign treasurers.**

(a) Each candidate and group shall appoint a campaign treasurer who is responsible for receiving, holding, and disbursing all contributions and expenditures, and for filing all reports and statements required by law. A candidate may be a campaign treasurer.

(b) Each group shall file the name and address of its campaign treasurer with the commission at the time it registers with the commission under AS 15.13.050.

(c) Each candidate for state office shall file the name and address of the campaign treasurer with the commission, or submit, in writing, the name and address of the campaign treasurer to the director for filing with the commission, no later than 15 days after the date of filing the declaration of candidacy or the nominating petition. Each candidate for municipal office shall file the name and address of the campaign treasurer with the commission no later than seven

days after the date of filing the declaration of candidacy or the nominating petition. If the candidate does not designate a campaign treasurer, the candidate is the campaign treasurer.

(d) In the case of the death, resignation, or removal of a campaign treasurer, the candidate shall appoint a successor as soon as practicable and file the successor's name and address with the commission within 48 hours of the appointment. The candidate is disqualified if found to have been in wilful violation of this subsection.

(e) A campaign treasurer may appoint as many deputy campaign treasurers as necessary. The candidate shall file the names and addresses of the deputy campaign treasurers with the commission.

(f) The candidate is responsible for the performance of the campaign treasurer, and any default or violation by the treasurer also shall be considered a default or violation by the candidate if the candidate knew or had reason to know of the default or violation.

**Sec. 15.13.072. Restrictions on solicitation and acceptance of contributions.**

(a) A candidate or an individual who has filed with the commission the document necessary to permit that individual to incur election-related expenses under AS 15.13.100 may not solicit or accept a contribution from

(1) a person not authorized by law to make a contribution;

(2) an individual who is not a resident of the state at the time the contribution is made, except as provided in (e) of this section;

(3) a group organized under the laws of another state, resident in another state, or whose participants are not residents of this state at the time the contribution is made; or

(4) a person registered as a lobbyist if the contribution violates AS 15.13.074(g) or AS 24.45.121(a)(8).

(b) A candidate or an individual who has filed with the commission the document necessary to permit the individual to incur election-related expenses under AS 15.13.100, or a group, may not solicit or accept a cash contribution that exceeds \$100.

(c) An individual, or one acting directly or indirectly on behalf of that individual, may not solicit or accept a contribution

(1) before the date for which contributions may be made as determined under AS 15.13.074(c); or

(2) later than the day after which contributions may not be made as determined under AS 15.13.074(c).

(d) While the legislature is convened in a regular or special legislative session, a legislator or legislative employee may not solicit or accept a contribution to be used for the purpose of influencing the outcome of an election under this chapter unless

(1) it is an election in which the legislator or legislative employee is a candidate and the contribution is for that legislator's or legislative employee's campaign;

(2) the solicitation or acceptance occurs during the 90 days immediately preceding that election; and



(3) the solicitation or acceptance occurs in a place other than the capital city or a municipality in which the legislature is convened in special session if the legislature is convened in a municipality other than the capital city.

(e) A candidate or an individual who has filed with the commission the document necessary to permit that individual to incur election-related expenses under AS 15.13.100 may solicit or accept contributions from an individual who is not a resident of the state at the time the contribution is made if the amounts contributed by individuals who are not residents do not exceed

(1) \$20,000 a calendar year, if the candidate or individual is seeking the office of governor or lieutenant governor;

(2) \$5,000 a calendar year, if the candidate or individual is seeking the office of state senator;

(3) \$3,000 a calendar year, if the candidate or individual is seeking the office of state representative or municipal or other office.

(f) A group or political party may solicit or accept contributions from an individual who is not a resident of the state at the time the contribution is made, but the amounts accepted from individuals who are not residents may not exceed 10 percent of total contributions made to the group or political party during the calendar or group year in which the contributions are received.

(g) A candidate or an individual who has filed with the commission the document necessary to permit that individual to incur election-related expenses under AS 15.13.100 for election or reelection to the office of governor or lieutenant governor may not solicit or accept a contribution in the capital city while the legislature is convened in a regular or special legislative session.

(h) A nongroup entity may solicit or accept contributions for the purpose of influencing the nomination or election of a candidate from an individual who is not a resident of the state at the time the contribution is made or from an entity organized under the laws of another state, resident in another state, or whose participants are not residents of this state at the time the contribution is made. The amounts accepted by the nongroup entity from these individuals and entities for the purpose of influencing the nomination or election of a candidate may not exceed 10 percent of total contributions made to the nongroup entity for the purpose of influencing the nomination or election of a candidate during the calendar year in which the contributions are received.

**Sec. 15.13.090. Identification of communication.**

(a) [See delayed amendment note]. All communications shall be clearly identified by the words "paid for by" followed by the name and address of the person paying for the communication. In addition, except as provided by (d) of this section, a person shall clearly

(1) provide the person's address or the person's principal place of business;

(2) for a person other than an individual or candidate, include

(A) the name and title of the person's principal officer;

(B) a statement from the principal officer approving the communication; and

(C) unless the person is a political party, identification of the name and city and state of residence or principal place of business, as applicable, of each of the person's three largest contributors under AS 15.13.040(e)(5), if any, during the 12-month period before the date of the communication.

(b) The provisions of (a) of this section do not apply when the communication

(1) is paid for by an individual acting independently of any other person;

(2) is made to influence the outcome of a ballot proposition as that term is defined by AS 15.13.065(c); and

(3) is made for

(A) a billboard or sign; or

(B) printed material other than an advertisement made in a newspaper or other periodical.

(c) [See delayed amendment note]. To satisfy the requirements of (a)(1) of this section and, if applicable, (a)(2)(C) of this section, a communication that includes a print or video component must have the following statement or statements placed in the communication so as to be easily discernible; the second statement is not required if the person paying for the communication has no contributors or is a political party:

This communication was paid for by (person's name and city and state of principal place of business). The top contributors of (person's name) are (the name and city and state of residence or principal place of business, as applicable, of the largest contributors to the person under AS 15.13.090(a)(2)(C)).

(d) [See delayed amendment note]. Notwithstanding the requirements of (a) of this section, in a communication transmitted through radio or other audio media and in a communication that includes an audio component, the following statements must be read in a manner that is easily heard; the second statement is not required if the person paying for the communication has no contributors or is a political party:

This communication was paid for by (person's name). The top contributors of (person's name) are (the name of the largest contributors to the person under AS 15.13.090(a)(2)(C)).

(e) Contributors required to be identified under (a)(2)(C) of this section must be listed in order of the amount of their contributions. If more than three of the largest contributors to a person paying for a communication contribute equal amounts, the person may select which of the contributors of equal amounts to identify under (a)(2)(C) of this section. In no case shall a person be required to identify more than three contributors under (a)(2)(C) of this section.

(f) The provisions of this subsection apply to a person who makes an independent expenditure

for a communication described in (a) of this section. If the person paying for the communication is not a natural person, the provisions also apply to the responsible officer or officers of the corporation, company, partnership, firm, association, organization, labor organization, business trust, or society who approve the independent expenditure for the communication. A person who makes a communication under this subsection may not, with actual malice, include within or as a part of the communication a false statement of material fact about a candidate for election to public office that constitutes defamation of the candidate. For purposes of this subsection, a statement constitutes defamation of the candidate if the statement

- (1) exposes the candidate to strong disapproval, contempt, ridicule, or reproach; or
- (2) tends to deprive the candidate of the benefit of public confidence.

**Sec. 15.13.100. Expenditures before filing.** A political campaign expenditure may not be made or incurred by a person in an election or by a person or group with the person's knowledge and on the person's behalf before the date upon which the person files for nomination for the office which the person seeks, except for personal travel expenses or for opinion surveys or polls. These expenditures must be included in the first report required under this chapter after filing for office.

**Sec. 39.50.030. Contents of statements.**

(a) Each statement must be an accurate representation of the financial affairs of the public official or candidate and must contain the same information for each member of the person's family, as specified in (b) and (d) of this section, to the extent that it is ascertainable by the public official or candidate.

(b) Each statement filed by a public official or candidate under this chapter must include the following:

(1) for all sources of income over \$1,000 during the preceding calendar year, including taxable capital gains, and for all gifts from a single source with a cumulative value exceeding \$250 in a calendar year, received by the person, the person's spouse or domestic partner, or the person's dependent child,

- (A) each source of the income or gift;
- (B) the recipient of the income or gift;
- (C) the amount of the income or value of the gift;
- (D) a brief statement describing whether the income was earned by commission, by the job, by the hour, or by some other method;
- (E) the approximate number of hours worked to earn the income; and
- (F) unless required by law to be kept confidential, a description sufficient to make clear to a person of ordinary understanding the nature of each service performed and the date the service was performed;

(2) the identity, by name and address, of each business in which the person, the person's spouse or domestic partner, or the person's dependent child has an interest or was a stockholder,

owner, officer, director, partner, proprietor, or employee during the preceding calendar year, except that an interest of less than \$1,000 in the stock of a publicly traded corporation need not be included;

(3) the identity and nature of each interest in real property, including an option to buy, owned at any time during the preceding calendar year by the person, the person's spouse or domestic partner, or the person's dependent child;

(4) the identity of each trust or other fiduciary relationship in which the person, the person's spouse or domestic partner, or the person's dependent child held a beneficial interest exceeding \$1,000 during the preceding calendar year, a description and identification of the property contained in each trust or relation, and the nature and extent of the beneficial interest in it;

(5) any loan or loan guarantee of more than \$1,000 made to the person, the person's spouse or domestic partner, or the person's dependent child, and the identity of the maker of the loan or loan guarantor and the identity of each creditor to whom the person, the person's spouse or domestic partner, or the person's dependent child owed more than \$1,000; this paragraph requires disclosure of a loan, loan guarantee, or indebtedness only if the loan or guarantee was made, or the indebtedness incurred, during the preceding calendar year, or if the amount still owing on the loan, loan guarantee, or indebtedness was more than \$1,000 at any time during the preceding calendar year;

(6) a list of all contracts and offers to contract with the state or an instrumentality of the state during the preceding calendar year held, bid, or offered by the person, the person's spouse or domestic partner, or the person's dependent child, a partnership, limited liability company, or professional corporation of which the person is a member, or a corporation in which the person or the person's spouse, domestic partner, or dependent child, or a combination of them, hold a controlling interest; and

(7) a list of all mineral, timber, oil, or any other natural resource lease held, or lease offer made, during the preceding calendar year by the person, the person's spouse or domestic partner, or the person's dependent child, a partnership, limited liability company, or professional corporation of which the person is a member, or a corporation in which the person or the person's spouse, domestic partner, or dependent child, or a combination of them, holds a controlling interest.

(c) *[Repealed, Sec. 26 ch 25 SLA 1975].*

(d) In addition to the requirements of (b) of this section, each statement filed under this chapter by a public official in the executive branch of state government other than the chair or a member of a state commission or board must include a disclosure of the formation or maintenance of a close economic association involving a substantial financial matter as required by this subsection. The disclosure must be sufficiently detailed so that a reader can ascertain the nature of the association. A public official shall disclose a close economic association with

(1) a legislator;

(2) a public official who is not an elected or appointed municipal officer;

(3) a lobbyist; or

(4) a public officer if the person required to make the disclosure is the governor or the lieutenant governor.

(e) If a public official required to disclose a close economic association under (d) of this section forms a close economic association after the date on which the public official files the financial disclosure statement required by (a) of this section, disclosure of the association must be made to the commission within 60 days after the formation of the association.

(f) When making a disclosure under (d) of this section concerning a relationship with a lobbyist to whom the public official is married or who is the public official's domestic partner, the public official shall also disclose the name and address of each employer of the lobbyist and the total monetary value received from the lobbyist's employer. The public official shall report changes in the employers of the spouse or domestic partner within 48 hours after the change. In this subsection, "employer of the lobbyist" means the person from whom the lobbyist received money, or goods or services having a monetary value, for engaging in lobbying on behalf of the person.

(g) The requirements in this section for disclosures related to a person's domestic partner do not apply to an elected or appointed municipal officer.

(h) In this section,

(1) "close economic association" means a financial relationship that exists between a public official required to disclose a close economic association under (d) of this section and some other person or entity, including a relationship where the public official serves as a consultant or advisor to, is a member or representative of, or has a financial interest in an association, partnership, limited liability company, business, or corporation;

(2) "lobbyist" has the meaning given in AS 24.60.990(a);

(3) "public officer" has the meaning given in AS 39.52.960.

### Alaska Regulations

#### 2 AAC 50.250. Contributions

(a) A person receiving a contribution shall report as required in the applicable provisions of AS 15.13.040 and 2 AAC 50.321.

(b) If a person that is not prohibited from contributing to a campaign under AS 15.13.074 makes a non-monetary contribution, the amount to be reported under 2 AAC 50.250 - 2 AAC 50.405 is,

(1) for goods or services for which a contributor usually charges,

(A) the normal market charge for an item or service provided without charge;

(B) the difference between the normal market charge and the amount charged for an item or service provided at less than the normal market charge; except as provided in

(c) of this section, a reduction in a business's charge for goods and services is a contribution prohibited by AS 15.13.074(f) unless the same reduction in the business's charges is available to all campaigns;

(2) for goods or products provided to a campaign as a result of the services of an individual who volunteers a portion or all of that individual's time without compensation, the cost of any material or supplies used in producing the goods, but not the value of equipment that the volunteer owns personally and uses in the course of the volunteered services;

(3) for a travel-related service or accommodation provided to a campaign,

(A) if the contributor pays another person for the travel-related service or accommodation, the actual cost of the travel-related service or accommodation; or

(B) if the contributor does not pay another person for the travel-related service or accommodation,

(i) the commercial rate for a comparable travel-related service or accommodation including, for air travel, an unrestricted, non-discounted first-class fare, or if first-class commercial travel is unavailable, an unrestricted, non-discounted coach-class fare, or if commercial travel to the particular destination is unavailable, a charter rate for a comparable aircraft; or

(ii) the value of the contributed travel-related service or accommodation based on any other commercially reasonable method of determining the cost;

(4) for a bulk mailing permit donated or loaned to a campaign,

(A) the value of the permit; or

(B) the actual savings to the campaign computed on the basis of the normal postage rate minus the bulk mailing rate for each mailed item.

(c) A contribution from a sole proprietorship is not prohibited under AS 15.13.074(f), but must be

(1) identified as a contribution by the owner of the sole proprietorship; and

(2) included in the amount of the individual's contributions limited by AS 15.13.070.

(d) Notwithstanding (b)(1) of this section, services are not a contribution if an individual who volunteers the individual's own time without compensation provides those services to a political party, a candidate, or a group organized for the principal purpose of influencing the outcome of a ballot proposition election or for the principal purpose of filing an initiative proposal application.

(e) Except as provided in 2 AAC 50.254(c), a loan or loan guarantee is a contribution from a lender, co-signer, or guarantor at the time it is made and may not exceed the contribution limitations of AS 15.13.070, whether or not it is repaid. If a loan is guaranteed by more than one person, each co-signer or guarantor is considered to have contributed any portion of the total amount that the co-signer or guarantor agreed to guarantee in an oral or written agreement. If no oral or written agreement is made, each co-signer or guarantor is considered to have contributed a share equal to the total of the loan divided by the number of co-signers or guarantors.

(f) Credit extended to a candidate, group, or nongroup entity for a length of time beyond normal business practice is a contribution by the person extending the credit, unless the creditor makes a commercially reasonable attempt to collect the debt using the methods and persistence that the creditor ordinarily uses in a collection effort for a debt unrelated to a campaign.

(g) A contribution to a subordinate unit of a political party is a contribution to the political party.

**2 AAC 50.286. Candidate exemptions**

(a) A candidate for municipal office who does not intend to receive contributions exceeding \$5,000, or make expenditures exceeding \$5,000, may file an exemption statement on a form prescribed by the commission instead of the candidate registration form required under 2 AAC 50.282. A candidate who files the exemption statement form is not required to file a campaign disclosure report required under AS 15.13.110 and 2 AAC 50.321, but shall comply with all other requirements of AS 15.13, including

- (1) limitations on who may contribute;
- (2) amount and timing of contributions; and
- (3) use of campaign money.

(b) If a candidate who has filed an exemption statement accepts more than \$5,000 in contributions or spends more than \$5,000 to influence the outcome of the election, the candidate loses the reporting exemption under this section. A candidate whose exemption is lost shall immediately register as a candidate and shall file each campaign disclosure report due after the change in status. The candidate's first campaign disclosure report must include each contribution and expenditure from the beginning of the campaign through the end of that reporting period.

**2 AAC 50.306. Identification of political communication**

(a) Except for an individual exempt under AS 15.13.090(b), a person that pays for a political communication, including a person that makes an independent expenditure, shall ensure that

(1) in any communication that includes a print or video component, the information required under AS 15.13.090(a) and (c) is visible, separate from the text of the communication, and of sufficient size and duration to be read by a viewer; and

(2) in any communication by radio, automated telephone, or other audio media, or that includes an audio component, the information required under AS 15.13.090(a) and (d) is spoken and audible at the same volume as the communication.

(b) In a written communication, standard English abbreviations may be used in the information required by AS 15.13.090(a) and (c).

(c) The information required under AS 15.13.090(a) and (c) need not be affixed to an object used for a political communication if the size or nature of the object makes it impractical to affix that information. Objects for which it is impractical to affix that information include pencils, pens, buttons, or other objects that are smaller than 3.5 inches by 5 inches in size but do not include media advertisements, electronic correspondence, or material on an Internet website. The cost of any object used for a political communication must be reported under AS 15.13 even if the information required under AS 15.13.090(a) and (c) is not affixed.

(d) A political communication by electronic media, including a candidate's or group's website, electronic mail, electronic social media, or other electronic methods capable of transmitting a political communication, must include or be electronically linked to information required by AS 15.13.090(a) and (c). The cost of political communications by electronic media must be reported as a campaign expense under 2 AAC 50.321.

(e) In this section, "political communication"

(1) has the meaning given "communication" in AS 15.13.400;

(2) includes

(A) all material related to campaign fundraisers, campaign letterhead, thank-you notes, and press releases;

(B) media advertisements, electronic correspondence, or material on an Internet website, regardless of size or nature;

(C) except as provided under (3)(B) of this subsection, campaign signs larger than 3.5 inches by 5 inches;

(3) does not include

(A) envelopes paid for by the campaign that are used solely to convey the campaign's communications;

(B) signs created by an individual or nongroup entity for a total cost of less than \$500;

(C) T-shirts, ballcaps, and similar items of personal apparel of minimal value; (D) berry buckets, coffee cups, water bottles, and similar objects having a principal purpose not related to campaigns or elections.

**2 AAC 50.865. Mitigating factors; aggravating factors**

(a) A civil penalty determined under 2 AAC 50.855 may be reduced by up to 50 percent if

(1) a person required to file a statement or other filing

(A) has a good filing history; in this subparagraph, "good filing history" means

(1) no late filings in the immediately preceding five years; and

(2) no activity shown on the overdue report;

(B) is an inexperienced filer; in this subparagraph, "inexperienced filer" means a person required to file reports under this chapter if that person has been subject to a registration or reporting requirement for less than 365 days;

(2) a technical error at the commission, including a communication, facsimile machine, computer program, or other equipment problem may have contributed to the late or incomplete filing;

(3) any unreported or mistakenly reported information had a value of \$100 or less; or

(4) any unreported or mistakenly reported information had a value higher than \$100 but no more than \$1,000, and a factor listed in (b) of this section also applies.

(b) A civil penalty set out in 2 AAC 50.855 may be reduced by a percentage greater than 50 percent, or waived entirely based on the following factors:

(1) the person required to file, or a family member of the person required to file, experienced a personal emergency, including a call for military service, a natural disaster, a civil disturbance, or an incapacitating illness that prevented the person from filing on or before the due date; this mitigating factor is only available to a natural person;

(2) a significant cause of the late filing is commission staff error, including

(A) furnishing reporting materials too late for filing on or before the due date;

(B) giving incorrect oral or written information to a person required to submit a statement or other filing;



- (C) failing to deliver required notices when due; or
  - (D) confirmed technical problems with operation of commission equipment, including the electronic filing program;
  - (3) a municipal clerk or the clerk's designee failed to notify a municipal official, as provided in 2 AAC 50.850(f), that the municipal official's filing is delinquent or incomplete;
  - (4) a late or erroneous report included only administrative costs in a group report;
  - (5) a late or incomplete report did not cause significant harm to the public, and aggravating factors under (d) of this section do not exist; for purposes of this paragraph, a late or incomplete report did not cause significant harm to the public if
    - (A) the dollar amount missing from a form or disclosure is \$100 or less;
    - (B) the dollar amount for the information missing from a form or disclosure is more than \$100 but no more than \$1,000, and the filer self-reported the error; or
    - (C) the missing or incomplete information is readily available to the public through another forum;
  - (6) the civil penalty assessment is significantly out of proportion to the degree of harm to the public for not having the information; or
  - (7) a unique circumstance justifies reducing or waiving the penalty.
- (c) The commission will not accept any of the following as mitigating factors to reduce the amount of a penalty:
- (1) relying on another person or mailroom to mail, postmark, or submit the statement on or before a due date;
  - (2) forgetting to file;
  - (3) being a volunteer;
  - (4) having no change in reportable information from previous filed statements;
  - (5) relying on the responsible person's staff to remind the person of the filing deadline;
  - (6) being too busy to file;
  - (7) experiencing staff turnover, unless the turnover created turmoil serious enough to justify a finding of unique circumstances;
  - (8) absence caused by travel, unless the travel was unplanned or unavoidable, including travel for a personal emergency, or weather-related travel problems.
- (d) A civil penalty determined under 2 AAC 50.855 may be increased to the maximum amount allowed under the applicable statute if a person required to file a statement or other filing has
- (1) failed to substantially comply with financial disclosure requirements by omitting a significant source of income, interest in real property, business interest, loan, trust, or other substantial financial interest; in this paragraph, "substantial financial interest" means an interest with a value greater than \$1,000; or
  - (2) a poor reporting history; indicators of a poor reporting history include any of the following:
    - (A) more than one late filing in the immediately preceding five years;
    - (B) evidence suggesting deliberate non-reporting;
    - (C) failure to cooperate with staff.

